

City of Detroit

CITY COUNCIL

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TO: Loren Jackson, Director
Recreation Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 20, 2007

RE: 2007-2008 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Tanya Stoudemire, Budget Department Team Leader
Roger Short, Chief Financial Officer
Kandia Milton, Mayor's Office

Recreation (39)

FY 2007-08 Budget Analysis by the Fiscal Analysis Division

The Recreation Department is a General Fund agency. The recommended 2007-08 budget is \$33.89 million, or \$1.3 million (4%) less than the current year's budget. The recommended net tax cost is \$27.25 million, which is \$12.2 million more (82%), than the current fiscal year.

The Mayor has recommended a \$12.26 million decrease in the Recreation Department's capital program, decreasing it to \$4.08 million for FY 2007-08. The decrease includes Parks and Landscapes was decreased by \$750,000, a \$215,000 decrease for Belle Isle Park Development, a decrease for Recreation Facilities Improvements of \$2 million, and the elimination of \$10 million for New Recreation facilities. The decreases represent 2006-07 capital programs that require no capital funding in the 2007-08 fiscal year. The decrease is offset by a \$700,000 increase for Capital Improvements.

The Mayor has recommended the following capital improvement programs for the department:

Capital Operations	\$ 1,000,000
Parks and Landscape	\$ 1,000,000
Belle Isle Park Development	\$ 1,085,000
Recreation Facility Improvements	<u>\$ 1,000,000</u>
Total	<u>\$ 4.085 million</u>

2006-07 Surplus/(Deficit)

The Administration anticipates a net deficit of \$3.26 million for the current fiscal year. The department's projected deficit is due primarily to an appropriation deficit of \$2.26 million due to costs associated with seasonal employees and overtime, and a revenue deficit of \$997,000 due to uncollected Eastern Market revenue.

Overtime

The department has a 2006-07 overtime budget of \$430,000. As of March 31, 2007, the department spent \$300,300 in overtime. The recommended overtime budget for 2007-08 is \$389,000, a 9.5% reduction.

Personnel and Turnover Savings

The Mayor recommends a net reduction of 5 positions (2.5%).

The Mayor recommends no turnover savings in 2007-08.

The following is information by appropriation comparing current FY 2006-07 filled positions, and FY 2007-08 recommended positions, as of March 31, 2007.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 3/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Recreation (39):					
00905 1994-Capital Improvements	1	2	1	1	\$ -
11654 Adult Day Care Grant 2006	0	0	0	0	\$ -
11656 Recreation Management	12	12	13	0	\$ -
395155 Butzel Family Center	2	2	2	0	\$ -
395165 Recreation Camp	1	0	0	(1)	\$ -
395175 Security	0	2	0	2	\$ -
395180 Administration Support Unit	3	5	2	2	\$ -
395185 Rogell Golf Course	0	0	0	0	\$ -
395190 Henderson Marina	5	5	4	0	\$ -
11657 Business Operations & Support Srvc.	11	14	8	3	\$ -
395200 Landscape Design Unit	4	3	3	(1)	\$ -
395210 Strategic Planning & Grants	2	2	2	0	\$ -
11658 Planning, Design & Const. Mgmt.	6	5	5	(1)	\$ -
395300 Buildings & Ground Maintenance	0	3	0	3	\$ -
395310 Ground Maintenance	0	1	0	1	\$ -
395320 Seasonal Ground Maintenance	0	0	0	0	\$ -
395330 Building Repair & Improvements	0	2	0	2	\$ -
395333 Forestry	0	0	0	0	\$ -
395335 Vacant Lots	0	0	0	0	\$ -
395340 Forestry Administration	0	0	0	0	\$ -
395360 Nursery	0	0	0	0	\$ -
395370 Floriculture	0	0	0	0	\$ -
11659 Buildings & Ground Maintenance	0	6	0	6	\$ -
395400 Huber Facility	0	0	0	0	\$ -
395410 Huber Storeroom	0	0	0	0	\$ -
11660 Huber Facility & Storeroom	0	0	0	0	\$ -
395500 Forestry Operations Administration	0	0	0	0	\$ -
395510 Forestry Operations	0	0	0	0	\$ -
395520 Nursery	0	0	0	0	\$ -
395530 Floriculture	0	0	0	0	\$ -
11661 Forestry Operations	0	0	0	0	\$ -
395605 Building Operations	0	0	0	0	\$ -
395610 North Building Operations	0	3	0	3	\$ -
395620 South Building Operations	0	0	0	0	\$ -
395630 East Building Operations	0	0	0	0	\$ -
395640 West Building Operations	0	0	0	0	\$ -
395650 Roving Cleaning Crew	0	0	0	0	\$ -
11662 Building Operations	0	3	0	3	\$ -
395700 Recreation Operations Administration	4	1	5	(3)	\$ -
395705 Recreation Operations	145	0	143	(145)	\$ -
395710 North Recreation Operations	0	11	0	11	\$ -
395720 South Recreation Operations	0	18	0	18	\$ -
395730 East Recreation Operations	0	13	0	13	\$ -
395740 West Recreation Operations	0	10	0	10	\$ -

11163 Recreation Operations	149	53	148	(96)	\$	-
395800 Special Programs	0	3	0	3	\$	-
395810 Special Services	0	1	0	1	\$	-
			Mayor's			
	Budgeted	Filled	Budget	Over/(Under)	Mayor's	
	Positions	Positions	Positions	Actual to	Recommended	
<u>Appropriation/Program</u>	<u>FY 2006-07</u>	<u>3/31/2007</u>	<u>FY 2007-08</u>	<u>06/07 Budget</u>	<u>Turnover</u>	
395820 Physically Challenged Program	0	0	0	0	\$	-
395830 Athletic Office	0	2	0	2	\$	-
395840 After School Program	0	1	0	1	\$	-
11164 Programming	0	7	0	7	\$	-
395900 Belle Isle Operations Administration	9	0	9	(9)	\$	-
395910 Forestry Operations	0	0	0	0	\$	-
395920 Ground Maintenance	0	0	0	0	\$	-
395930 Seasonal Ground Maintenance	0	0	0	0	\$	-
395940 Building Operations	0	0	0	0	\$	-
395950 Recreation Operations	7	0	7	(7)	\$	-
395960 Detroit Boat Club	0	0	0	0	\$	-
11665 Belle Isle Operations	16	0	16	(16)	\$	-
11166 Youth	1	1	1	0	\$	-
11167 Eastern Market	3	0	0	(3)	\$	-
12141 Historic Fort Wayne	0	0	2	0		
12147 Senior Citizens Advocacy	0	0	0	0	\$	-
12149 Outreach & Assistance	0	0	0	0	\$	-
12150 Consumer Advocacy	0	0	0	0	\$	-
39XXXX PART-TIME EMPLOYEES	0	0	0	0	\$	-
39XXXX Cost Center Not on File	0	0	0	0	\$	-
39XXXX Leave of Absence	0	(10)	0	(10)	\$	-
39XXXX Worker's Comp.	0	(5)	0	(5)	\$	-
39XXXX Unmatched Positions	0	71	0	71	\$	-
TOTAL	<u>199</u>	<u>159</u>	<u>194</u>	(40)	<u>\$</u>	<u>-</u>

Significant Funding by Appropriation

Appro. Program

11656	Recreation Management	This appropriation increases by \$247,701 in the 2007-08 FY. This is due primarily to a \$115,000 increase in salaries & wages and a \$128,000 increase in benefits and a \$5,000 Other Expenses increase in 2007-08 FY
11657	Business Operations & Support Services	This appropriation increases by \$2.8 million in the 2007-08 FY. The increase is due to a \$92,000 reduction in org 39-5155 Butzel Family Center; a \$2.8 million increase in org 39-180 Administration Support unit, due to utilities costs, \$1.8 million for Utilities-Water and \$1 million for Utilities-Gas; a new org 39-5191 Special Events Support of \$152,000, offset by a \$244,727 due to the elimination of org 39-5165 Recreation Camp.

11667	Eastern Market	This appropriation decreases by \$434,000 in the 2007-08 FY. The decrease is due to the elimination of the 3 positions and their salary & benefits cost.
11658	Planning, Design & Construction	This appropriation decreases by \$111,000 in the 2007-08 FY.
12329	2007-08 STEPS	This grant appropriation renamed for accounting purposes from 12090 Youth Mapping Project (STEPS) and is budgeted at \$380,000 in 2007-08.
12330	2007-08 Dreaming While Achieving	This grant appropriation renamed for accounting purposes from 12092 Dreaming While Achieving and is budgeted at \$176,607 in 2007-08.
12331	2007-08 SAFETY Organization	This grant appropriation renamed for accounting purposes from 12091 SAFETY Organization and split into two grants is budgeted at \$198,751 in 2007-08.
12332	2007-08 SAFETY Local	This grant appropriation renamed for accounting purposes from 12091 SAFETY Organization and split into two grants is budgeted at \$22,084 in 2007-08.
12371	2007-08 City Arts Grants Program	This grant appropriation is budgeted at \$10,000 in 2007-08.
12372	2007-08 Mini Grant Administration	This grant appropriation renamed for accounting purposes from 12095 Mini Grant Administration and is budgeted at \$22,350 in 2007-08.
12373	Mini Grant	This grant appropriation renamed for accounting purposes from 12094 Mini Grant and is budgeted at \$64,600 in 2007-08.
12374	2007-08 Cultural Connection	This grant appropriation renamed for accounting purposes from 12093 Cultural Access Program and is budgeted at \$40,000 in 2007-08.
12375	Mini Grant Technical Assistance	This grant appropriation renamed for accounting purposes from 12096 Mini Grant Technical Assistance and is budgeted at \$20,000 in 2007-08.
12376	2007-08 National Arts	This grant appropriation is budgeted at \$3,000 in 2007-08.

12377	2007-08 City Township	This grant appropriation is budgeted at \$60,000 in 2007-08.
11663	Recreation Operations	This appropriation increases by \$8.4 million in the 2007-08 FY. The increase is due primarily to the \$ 8 million Casino contribution to the department, which includes \$4.3 million going towards Capital Outlays and an additional \$2.89 million in Salaries & Wages and \$1.1 million in Employee Benefits to reflect an infusion of seasonal staff.
11926	Senior Center Staffing 2007	This appropriation is budgeted at zero in the 2007-08 FY.
11666	Youth	This appropriation is budgeted at \$120,000 in the 2007-08 FY.
11665	Belle Isle Operations	This appropriation increases slightly by \$55,000 in the 2007-08 FY.
12141	Historic Fort Wayne	This new appropriation budgeted at \$327,912 in the 2007-08 FY, due to the addition of 2 positions and their accompanying salaries & benefits costs.
00905	Capital Improvements	The Mayor elected not to accommodate all of the department's capital bond requests to control the level of bond sales city wide in 2007-08, this was decreased by \$12.26 million overall from the previous fiscal year.

Significant Revenue Changes by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
10541	Recreation Management	This revenue decreases by \$119,000 in the 2007-08, due to an anticipated decrease in Misc. Concessions-Golf Course revenue.
11657	Business Operations & Support Services	This revenue appropriation decreases by \$357,000 due primarily to the elimination of \$239,000 in Recreation Camp revenue from Camp Brighton and other various revenue reductions in this category.
11667	Eastern Market	This revenue appropriation of \$787,500 is eliminated from the Recreation Department's budget.
11663	Recreation Operations	This revenue appropriation reflects a decrease in Recreation Operations revenue of \$10,000 in the

2007-08 FY.

11665	Belle Isle	This revenue appropriation increases slightly by \$21,000.
12141	Historic Fort Wayne	This new revenue appropriation budgeted at \$72,000 in the 2007-08 FY, increases by \$12,000 in the 2007-08 FY.
00905	Capital Improvements	This revenue appropriation budgeted at \$6.05 million in the 2007-08 FY. Decreases by \$12.26 million in 2007-08.
12176	New Recreation Facilities	This capital revenue appropriation budgeted at \$10 million in the 2007-08 FY, is eliminated from the budget.

Recreation Department (39)

Budgeted Professional and Contractual Services by Activity	FY 2006-07 Budget	FY 2007-08 Recommended	Increase (Decrease)
Administration	\$ 60,000	\$ 60,000	\$ -
Business Operations	289,750	411,142	121,392
Planning, Design & Construction	663,349	-	-
Recreation Operations	200,000	200,000	-
Youth Services	-	777,442	777,442
Programming	-	219,950	219,950
Belle Isle Operations	75,000	75,000	-
Historic Fort Wayne	-	-	-
Capital Projects-Bonds	109,922	250,000	140,078
Total	<u>\$ 1,398,021</u>	<u>\$ 1,993,534</u>	<u>\$ 595,513</u>

Issues and Questions

Pg 39-39 Capital Projects Measures and Targets

- In the 2006-07 projections, 13 projects based on a \$16 million capital budget are scheduled for completion. Will the department meet this schedule for each one of the 13 projects? If not, what is the timetable for completion of each of the 13 projects?

Recreation's Administrative offices have move from Cadillac Tower to the Norwest Activities Center.

- Recreation moved its administrative offices from the Cadillac Tower to the Norwest Activities Center as a cost savings measure. Has the department realized an annual cost savings? If so, how much? If not, why?

- What is the timetable for the move including renovations etc.? What is the cost to the general fund for moving expenses not related to capital costs? How will the rent be reflected in the budget?
- How has the move impacted the department and the Northwest Activities Center?

In the current fiscal year, Recreation was scheduled to transfer 256 employees to General Services.

- How has the loss of the employees and the operations moved from Recreation to General Services impacted the daily operations of the Recreation Department?
- Has the Recreation Department received timely service of its maintenance requests by the recently formed General Services Department?

Will the department revive the Farm-a-Lot program in 2007-08?

The department is planning an internal reorganization in the 2007-08 fiscal year.

- What is the anticipated impact on the department's daily operations?

Page D119 Executive Budget Summary:

- According to the detail in the Executive Budget Summary, the Giant Slide is slated to reopen in Spring 2007. What is the anticipated opening date and its projected seasonal revenue?
- One of the items listed in the Executive Budget Summary for Belle Isle are restroom renovations. What measures does the department plan to put in place to secure the restrooms from vandalism, thereby securing this and other Belle Isle capital investments?

Page D120 Executive Budget Summary:

- One of the items listed states that the department will continue to look for ways to generate additional revenue. What new revenue opportunities does the department plan to explore in the near future?

Recreation Department's Strategic Master Plan

The Strategic Master Plan included condition and capacity reports for both the Recreation Department's parks and recreation centers. Of the department's 308 parks, 153 are in fair condition (49.7%), 124 are in poor condition (40.2%) and 33 are in good condition (10.7%). In addition, a majority of the parks do not have sufficient improvements for their park classification and recreation function. In regard to the Recreation Centers, the department reports that of its 21 open recreation centers (9 were closed in January 2006), nine (9) are open and in good condition (42.9%), five (5) are in fair condition (23.8%), and seven (7) are in poor condition (33%)

Does the department anticipate closing any recreation centers in 2007-08?

What is the status of the department's "Private/Public Partnerships" Program?

IC:DH